

SONNENSCHN CARLIN NATH & ROSENTHAL

RECORDATION NO. 7002 F

8000 SEARS TOWER CHICAGO, ILLINOIS 60606

(312) 876-8000 TELEX 25-3526

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RECORDATION NO. 7002 - H
JUL 7 - 1983 12:35 PM
INTERSTATE COMMERCE COMMISSION

INTERSTATE COMMERCE COMMISSION

WRITER'S DIRECT LINE

July 5, 1983

(312) 876-8232

Interstate Commerce Commission
12th Street and Constitution Avenue, N.W.
Washington, D.C. 20423

Attention: Room 2303

Ladies and Gentlemen:

3-188A059
No. 7
Date JUL 7 1983
Fee \$ 60.00

ICC Washington, D. C.

Enclosed are (1) an Assignment and Assumption of Lease dated as of March 26, 1980 (the "Assignment") between William M. Gibbons, as Trustee of the Property of Chicago, Rock Island and Pacific Railroad Company (the "Assignor"), as assignor, and Chicago and North Western Transportation Company (the "Assignee"), as assignee, and (2) an Agreement to Extend Lease dated as of March 26, 1980 (the "Extension") between North American Car Corporation ("Lessor"), as lessor, and the Assignee, as lessee.

The Assignment is an assignment of the lessee's rights under a Lease of Railroad Equipment dated as of March 31, 1973 (the "Lease") between Lessor, as lessor and the Assignor, as lessee. The lessor under the Lease remains the same. The Lease was recorded with the Interstate Commerce Commission on April 24, 1973 at 3:50 p.m. under Recordation No. 7002.

The Extension extends the term of the Lease, and otherwise amends the Lease, as assigned to the Assignee.

Please record the Assignment and the Extension, in that order, in the records of the Interstate Commerce Commission, pursuant to 49 U.S.C. §11303 and the regulations promulgated thereunder.

The names and addresses of the parties to the Assignment are as follows:

Assignor: William M. Gibbons, as Trustee of the
Property of Chicago, Rock Island &
Pacific Railroad Company
332 South Michigan Avenue
Chicago, Illinois 60604

RECEIVED
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I.C.C.
FEE OPERATION BR.

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Interstate Commerce Commission
Attn: Room 2303
July 5, 1983

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Assignee: Chicago and North Western Transportation
Company
One North Western Center
165 North Canal Street
Chicago, Illinois 60606

The names and addresses of the parties to the Extension
are as follows:

Lessor: North American Car Corporation
222 Riverside Plaza
Chicago, Illinois 60606

Lessee: Chicago and North Western Transportation
Company
One North Western Center
165 North Canal Street
Chicago, Illinois 60606

The equipment covered by the Lease and the Assignment is
described both in Exhibit A to the Assignment, and in Schedule
A to the Lease (a copy of the Lease being attached as Exhibit
B to the Assignment).

Enclosed are two original copies of the Assignment and of
the Extension, each manually executed and acknowledged by both
parties, one of which is marked "ICC" at the top, and five
photocopies of the Assignment and of the Extension. Once all
seven copies of each document are stamped with the appropriate
recordation information, I would appreciate your returning one
of the original copies of each document and all of the photo-
copies to me at the letterhead address above.

Enclosed is our check in the amount of \$60, payable to the
Commission, in payment of the fee for the recordation of the
Assignment and the Extension.

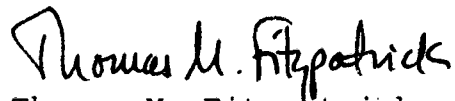
SONNENSCHNEIN CARLIN NATH & ROSENTHAL

Interstate Commerce Commission
Attn: Room 2303
July 5, 1983

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Thank you for your help. If there are any questions regarding the recordation of the Assignment or the Extension, please call me collect, at (312) 876-8232.

Very truly yours,


Thomas M. Fitzpatrick

TMF:jec

Enclosures

JUL 7 - 1983 - 2 35 PM

LEASE #30

#5860A
4.14.80INTERSTATE COMMERCE COMMISSION
AGREEMENT TO EXTEND LEASE

THIS AGREEMENT is dated as of this 26th day of March, 1980 by and between North American Car Corporation ("NAC") and the Chicago and North Western Transportation Company ("CNW").

W I T N E S S E T H:

WHEREAS, NAC is a Lessor under a Lease of Railroad Equipment dated as of March 31, 1973 filed and recorded with the Interstate Commerce Commission under Recordation Number 7002 ("Lease") with the Chicago, Rock Island and Pacific Railroad Company, as Lessee;

WHEREAS, William M. Gibbons, as Trustee of the property of Chicago, Rock Island and Pacific Railroad Company has assigned the Lease to the CNW; and,

WHEREAS, CNW is desirous of leasing the equipment described in Exhibit A hereto which is now subject to the Lease or substantially similar equipment as provided herein (the "Equipment" and each unit thereof a "Unit") and NAC is desirous of leasing to CNW such Equipment.

NOW, THEREFORE, in consideration of mutual promises of the parties hereto and other good and valuable consideration the receipt

and sufficiency of which is hereby acknowledged, NAC and CNW hereby agree as follows:

1. Extension of Lease. Provided CNW is not declared to be in default under the Lease by NAC or the Lease has not been earlier terminated, CNW and NAC hereby agree to extend the Lease as to the Equipment for a period of eight years commencing upon the termination of the current term of the Lease at a monthly rate equal to the rate set forth opposite the description of the Equipment in Exhibit A hereto pursuant to the terms of the Lease except: (a) the Lease shall be modified in accordance with Exhibit B hereto; and (b) rental during such extended term for each Unit shall be at the rates specified in Exhibit A.

2. Excluded Equipment. The extension contemplated hereby shall only apply with respect to those Units described in Exhibit A attached hereto which shall not have suffered a Casualty Occurrence as defined in the Lease prior to the first day of the extended term. NAC may, at its option and expense, substitute for the Equipment described in Exhibit A the same number of the units of other equipment which shall thereupon become "Equipment" having a fair market value at the time of such substitution which is not less than the fair market value of the Units replaced thereby and which is of the same type and of at least equal capacity in volume and weight as, is in equal or better condition than, and was originally constructed not earlier than, the Equipment replaced thereby. NAC

shall not be required to provide Units in excess of the number of Units to which the extended term contemplated hereunder relates at the time such extended term commences.

3. Waiver of Renewal Rights. CNW hereby waives any rights it has under Section 13 of the Lease with respect to the renewal of the term thereof and agrees that it shall have no further interest, including purchase options, with respect to the Lease or the Equipment thereunder upon the termination of the Lease except as may be provided herein.

4. New Lease. At the option of NAC or CNW in lieu of extending the Lease as to the Equipment, a new lease for the Equipment shall be used incorporating all of the terms which would be incorporated in a lease extension pursuant to the terms hereof.

5. Further Assurances. NAC and CNW agree to execute all documents or other instruments as may be required to effectuate the terms of this Agreement.

IN WITNESS WHEREOF, the parties have hereunto set their signatures on the day and year first above written.


NORTH AMERICAN CAR CORPORATION

By: J. F. Compton
Its Vice-President

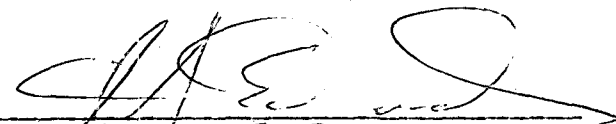
ATTEST:

[Signature]
Its And Sec

CHICAGO AND NORTH WESTERN
TRANSPORTATION COMPANY

By: 
Its VICE PRESIDENT

ATTEST:


Its ASSISTANT SECRETARY

STATE OF ILLINOIS)
) SS.
COUNTY OF C O O K)

On this 26th day of March, 1980, before me personally appeared James F. Compton, to me personally known, who being by me duly sworn, says that he is the Vice President of North American Car Corporation, that one of the seals affixed to the foregoing instrument is the corporate seal of said corporation, that said instrument was signed and sealed on behalf of said corporation by authority of its Board of Directors, and he acknowledged that the execution of the foregoing instrument was the free act and deed of said corporation.

Mary Carol Seymour
Notary Public

[Notarial Seal]

My Commission expires: October 31, 1982

STATE OF Illinois)
) SS.
COUNTY OF Cook)

On this 26th day of March, 1980, before me personally appeared John M. Butler, to me personally known, who being by me duly sworn, says that he is the Vice President of Chicago and North Western Transportation Company, that one of the seals affixed to the foregoing instrument is the corporate seal of said corporation, that said instrument was signed and sealed on behalf of said corporation by authority of its Board of Directors, and he acknowledged that the execution of the foregoing instrument was the free act and deed of said corporation.

Mary Carol Seymour
Notary Public

[Notarial Seal]

My Commission expires: October 31, 1982

EXHIBIT A TO
OPTION AGREEMENT BETWEEN
CHICAGO AND NORTH WESTERN TRANSPORTATION COMPANY
AND NORTH AMERICAN CAR CORPORATION

(1)	(2)	(3)
UNIT DESIGNATION	NUMBER OF UNITS*	LESSOR'S RENTAL PER UNIT ON MONTHLY BASIS
50' Box Cars numbered 62500 to 62849 inclu- sive including those renumbered as 562500 to 562520 inclusive.	347	\$195
50' box Cars Extra Large numbered 36300 to 36399 inclusive including those re- numbered 536300 to 536313 inclusive.	90	\$220
Large Covered Hopper Cars numbered 1322500 to 1322749 inclusive including those re- numbered to 632250 to 632371 inclusive.	479	\$235
60' Box Cars numbered 34500 to 34599 inclu- sive including those renumbered to 534500 to 534509 inclusive.	99	\$248
52' Gondola Cars number 1800009 - 1800019 inclusive including those renumbered 680000 and 680001	97	\$175

Excepting therefrom all cars which are determined to have experienced a Casualty Occurrence before acceptance by CNW in the Assignment of the Lease and any cars suffering a Casualty Occurrence prior to January 17, 1988, including the following cars which have experienced Casualty Occurrences

34596	132346	132520
62500	132381	132535
62504	132464	132584
62721	132489	132590
132295	132492	132599
132302	132503	132602
132341	132515	132667
132344	132519	

(30)

EXHIBIT B

A. The following sentences are hereby added to the end of the first paragraph of Section 5 of the Lease:

"Lessee may change the identification marks on the Units to reflect the interest of Lessee in the Units provided Lessor is promptly notified of such change. Such change shall be filed, recorded and deposited and Lessor's interest in the Units shall continue to be marked on the Units, all as provided in this Section 5."

B. The following is hereby substituted in lieu of the last ten lines of the first paragraph of Section 6 of the Lease, on page 3 of the Model Lease Provisions, beginning with "provided, however, that the Lessee":

"provided, however, that Lessee shall be under no obligation to pay any impositions of any kind so long as such imposition remains unpaid and Lessee is contesting in its own name and in good faith and by appropriate legal or administrative proceedings such impositions, or Lessor is required to contest such impositions as provided in this Section 6, and the nonpayment thereof does not, in the reasonable opinion of Lessor adversely affect the title, property or rights of Lessor. Lessee agrees to give Lessor notice of such contest brought in Lessee's name within 30 days after institution thereof and Lessor agrees to provide such information as may be reasonably requested by Lessee in furtherance of such contest. If any impositions shall have

been charged or levied against Lessor directly and paid by Lessor, Lessee shall pay Lessor on presentation of an invoice therefor if Lessor shall have been legally liable with respect thereto (as evidenced by an opinion of counsel for Lessor) or Lessee shall have approved the payment thereof, and Lessor agrees to give Lessee written notice promptly after it first obtains knowledge of the making of such charge or levy, and agrees to take such other action as may reasonably be requested by Lessee for the purpose of contesting payment or obtaining refund of all or a portion of such imposition, as hereinafter provided in this Section 6."

C. The following paragraphs are hereby added to Section 6 of the Lease:

"If claim is made against any Lessor for any impositions indemnified against under this Section 6, Lessor shall promptly notify Lessee. If reasonably requested by Lessee in writing, Lessor shall, upon receipt of indemnity satisfactory to it for all costs, expenses, losses, legal and accountants' fees and disbursements, penalties, fines, additions to tax and interest, and at the expense of Lessee, contest in good faith the validity, applicability or amount of such impositions by (a) resisting payment thereof if possible, (b) not paying the same except under protest, if protest is necessary and proper, and (c) if payment is made, using reasonable efforts to obtain a refund thereof in

appropriate administrative or judicial proceedings, or both. Lessee may also contest, or cause to be contested, at its own expense, the validity, applicability or amount of such impositions in the name of Lessor, provided that no proceeding or action relating to such contest shall be commenced (nor shall any pleading, motion, brief or other paper be submitted or filed in the name of Lessor in any such proceeding or action) without the prior written consent of Lessor, which consent shall not be unreasonably withheld. If Lessor shall obtain a refund of all or any part of such impositions previously reimbursed by Lessee in connection with any such contest or an amount representing interest thereon applicable to the amount paid by Lessee and the period of such payment, Lessor shall pay to Lessee the amount of such refund or interest net of expenses, but only if no Event of Default, or event which with notice or lapse of time or both would constitute an Event of Default, shall have occurred and be continuing.

"Lessee shall, whenever reasonably requested by Lessor, submit copies of returns, statements, reports, billings and remittances, or furnish other evidence satisfactory to Lessor of Lessee's performance of its duties under this Section 6. Lessee shall also furnish promptly upon request such data as such party reasonably may require to permit such party's compliance with the requirements of taxing jurisdictions.

"The amount which Lessee shall be required to pay with respect to any imposition which is subject to indemnification under this Section 6 shall be an amount sufficient to restore Lessor to the same net return that would have been realized except for such payment."

D. The following paragraph is hereby added after the first paragraph of existing Section 7 of the Lease:

"If Lessor shall sell any Unit that has suffered a Casualty Occurrence, after Lessee shall have paid the Casualty Value of such Unit to Lessor then Lessee shall be entitled to an amount that is equal to the net proceeds of such sale (after deducting all expenses in connection therewith), to the extent that such amount and other credits or payments do not exceed the Casualty Value of such unit."

E. The following paragraphs are hereby substituted for the existing fourth paragraph of Section 9 of the Lease:

"Lessee, at its own cost and expense, may furnish other additions, modifications and improvements (including, without limitation, any special devices, assemblies or racks at any time attached or affixed to any Unit, the cost of which is not included in the Purchase Price of such Unit and which are not required for the operation or use of such Unit by the United States Department of Transportation, the Interstate Commerce Commission or any other legislative, executive, administrative or judicial body exercising any

power or jurisdiction over such Unit) (collectively "Additions") to the Units as Lessee may deem desirable in the proper conduct of its business so long as such Additions shall not be inconsistent with the continuing operation of the Units, and shall not diminish the value, utility or condition of the Units below the value, utility and condition thereof immediately prior to the making of such Additions, assuming the Units were then in the condition required to be maintained by the terms of this Lease.

"Title to all Parts (as hereinbelow defined) incorporated in or installed as part of the Units shall without further act vest in Lessor the following cases: (i) such Part is in replacement of or in substitution for, and not in addition to, any Part originally incorporated in or installed as part of a Unit at the time of the acceptance thereof hereunder or any Part in replacement of, or in substitution for, any such original Part; (ii) such Part is required to be incorporated in or installed as part of the Units pursuant to the provisions of the first sentence of the fourth paragraph of this Section 9; or (iii) such Part cannot be readily removed from the Unit to which it relates without material damage thereto and without diminishing or impairing the value or utility which such Unit shall have had at such time had such alteration or addition not occurred. In all other cases, if no Event of Default, or event which

with notice or lapse of time or both would constitute an Event of Default, shall have occurred and be continuing, title to Parts incorporated in or installed as parts of the Units as a result of such alterations or additions shall vest in Lessee and may be removed by Lessee at any time during the term of this Lease or renewal thereof and prior to return of the Units to Lessor.

"The term "Part" for the purposes of this Section shall be defined to include any appliance, part, instrument, accessory, furnishing or other equipment of any nature which may from time to time be incorporated in or installed as part of any Unit."

F. The following is hereby substituted in lieu of the second existing paragraph of section 12 of the Lease:

"So long as Lessee shall not be in default under this Lease, Lessee shall be entitled to the possession and use of the Units and, without Lessor's consent, to sublease the Units to, or to permit their use by, a user incorporated in the United States of America (or any state thereof or the District of Columbia), upon lines of railroad owned or operated by Lessee or such user or by a railroad company or companies incorporated in the United States of America (or any state thereof or the District of Columbia), or over which Lessee, such user, or such railroad company or companies have trackage rights for operation of their trains,

and upon the lines of railroad of connecting and other carriers in the usual interchange of traffic or in through or run-through service, but only upon and subject to all the terms and conditions of this Lease; provided, however, that Lessor's consent, not to be unreasonably withheld, must be obtained for any sublease that is for a term or terms that aggregate more than six months in any one year; provided, further, however, that Lessee shall not sublease or permit the sublease or use of any Unit outside the United States of America, except occasional use permitted in Canada or Mexico as long as such use does not involve regular operation and maintenance outside the United States of America; and provided, further, however, that any such sublease or use shall be consistent with the provisions of Section 17 hereof. No such assignment or sublease shall relieve Lessee of its obligations hereunder which shall be and remain those of principal and not a surety.

"Any such sublease may provide that the sublessee, so long as it shall not be in default under such sublease, shall be entitled to the possession of the Units included in such sublease and the use thereof; provided, however, that every such sublease shall be subject to the rights and remedies of Lessor under this Lease in respect of the Units covered by such sublease upon the occurrence of an Event of Default hereunder."

G. Section 13 of the Lease is hereby deleted in its entirety.

H. The following exclusions are hereby added to the exclusions (i) through (v) appearing in the sixth paragraph of Section 17 of the Lease:

"(vi) a failure by Lessor or any owner of the Units to make a timely claim for such Investment Credit, ADR Deduction or other deduction, credit or benefit in the manner prescribed by law;

"(vii) a change in the tax law with respect to the Investment Credit, ADR Deduction or other deduction, credit or benefit subsequent to the date on which all units have been delivered to Lessee;

"(viii) any participation in the residual value of any Unit at the expiration of the original term or extended of this Lease by any party other than Lessor or Lessee; or

"(ix) any determination that the net salvage value as defined in the Treasury Income Tax Regulations governing the ADR Deduction, of any Unit is greater than 0%."

I. The following paragraphs are hereby added to Section 17 of the Lease:

"Lessor shall promptly, upon its knowledge thereof, give written notice to Lessee of any claim or proceeding in respect of which Lessee would be required to make any payments to Lessor indemnification payments under the provisions of this Section 17. Lessor agrees that if, in the opinion of independent tax counsel selected by Lessor and approved by Lessee, such approval not to be unreasonably withheld ("Counsel"), a reasonable basis to contest the disallowance or recapture of all or a portion of the tax benefits described above with respect to any Unit exists in respect of which Lessee would be required to make indemnification payments under the provisions of this Section 17 to Lessor pursuant hereto, Lessor shall, upon written or other appropriate action deemed reasonable by Counsel in order to contest such claim, and if Lessor fails to contest, Lessee will not be required to pay Lessor for the loss of tax benefits as set forth in this section; provided, however, that Lessor shall not be obligated to take any such legal or other appropriate action unless Lessee shall first have indemnified Lessor for all expenses which may be entailed therein. If within 30 days after notice from Lessor Lessee does not request that such Lessor contest the disallowance or recapture of the tax benefits or in the opinion of Counsel no reasonable basis to contest such matter exists, then Lessee will have no further right of contest.

"In the event Lessee requests that Lessor contest the disallowance or recapture of the tax benefits and in the opinion of Counsel a reasonable basis to contest such matter exists, then Lessor shall either take such action to contest the disallowance or recapture with respect to Lessor of all or to recover any portion of the tax payment (the "Tax Payment") and thereafter seek a refund. If Lessor contests prior to making such Tax Payment, such indemnification payable hereunder need not be paid by Lessee while such action is pending. In such case, if the Final Determination (as hereinafter defined) shall be adverse to Lessor, the indemnification payable hereunder shall be computed by Lessor as of the date of such Final Determination and Lessee shall pay Lessor as above provided. If Lessor seeks a refund after making such Tax Payment and the Final Determination shall be in favor of Lessor, Lessor shall forthwith upon receipt of refund of amounts previously paid, pay to Lessee an amount consisting of the aggregate of the following: (1) the amount paid by Lessee to Lessor; and (2) the amount of interest and/or penalty paid or repaid to Lessor by the taxing jurisdiction, both (1) and (2) being with respect to only that portion of the refund represented by the disallowance or recapture of tax benefits. Lessee agrees to pay to Lessor on demand any reasonable expense incurred by Lessor in connection with such contest. For purposes of this

Section 17 "Final Determination" is defined as a final decision or opinion of a court of competent jurisdiction which, in the opinion of Counsel and after taking into consideration the liabilities created thereby, presents no reasonable basis on which to appeal.

"In the event and to the extent that Lessor is required to include in its gross income for Federal income tax purposes the value of any addition, modification or improvement to the Units made by Lessee, under and pursuant to the terms of this Lease or otherwise (all such additions, modifications or improvements described in this sentence being hereinafter called "Alterations"), Lessee shall pay to Lessor on each of the dates provided in this Lease for payment of the installments of rental hereunder commencing with the first such date following the date on which Lessee is required to furnish written notice of such inclusion to Lessor pursuant to the following paragraph such additional rental which, after deduction of all taxes required to be paid by Lessor on the receipt thereof under the laws of the United States of America or any political subdivision thereof and after taking into account any present or future tax benefits that Lessor on the receipt thereof under the laws of the United States of America or any political subdivision thereof and after taking into account any present or future tax benefits that Lessor reasonably anticipates it will

derive from its additional investment in the Units (including, without limitation, any available current deduction, current and future depreciation deductions and investment tax credit), when taken together with the amount of any rental installments due on such dates under this Lease (but with appropriate adjustment on any such date for any such rental installment which for any reason shall not in fact be paid by Lessee), will, in the reasonable opinion of Lessor, cause Lessor's net return to equal the net return that would have been realized by Lessor if the value of any such Alteration had not been includible in Lessor's gross income. The Casualty Values payable with respect to the Units shall be adjusted in amounts calculated in a similar manner by Lessor.

"Lessee agrees that, within 30 days after the close of any calendar year in which Lessee has made Alterations which are includible in the gross income of either Owner for Federal income tax purposes under this Section Lessee will give written notice thereof to Lessor describing such Alterations in reasonable detail and specifying the value thereof with respect to the Units."

J. Section 19 of the Lease is hereby amended to provide that notices to Lessee shall be sent:

To Lessee, at 400 West Madison Street, Chicago, Illinois 60606, Attention of Assistant Vice President-Finance.